

<b>IN THE MATTER OF:</b>	)	
	)	<b>Administrative Proceeding</b>
	)	<b>Number: C-03-0126</b>
<b>Veterans of Foreign Wars</b>	)	
<b>of the United States</b>	)	
<b>c/o David V. Hiatt</b>	)	
<b>Swanson Midgley LLC</b>	)	
<b>Crown Center</b>	)	
<b>2420 Pershing Road, Suite 400</b>	)	
<b>Kansas City, MO 64108-2505</b>	)	
	)	
<b><i>Respondent</i></b>	)	

I.

II.

Respondent, under the terms of this Consent Order and solely for the purpose of resolving the allegations contained in Exhibit A hereto, stipulates without a hearing to the matters set forth in Exhibit A and hereby consents to the issuance of this Consent Order

and further consents to and agrees to the undertakings contained herein, with no formal administrative hearing and determination of wrongdoing. Furthermore, the undersigned agent for the Respondent acknowledges that he has been lawfully vested with the authority to enter into this Consent Order on behalf of the Respondent.

### III.

THEREFORE, in consideration of a final resolution of the matters set forth herein, the Division and Respondent hereby agree and stipulate as follows:

1. Respondent stipulates to the jurisdiction of the Division as to all matters contained herein under the authority of the Act and acknowledges that the issuance of this Consent Order is solely for the purpose of resolving the matters set forth herein.
2. The Division shall impose a penalty upon the Respondent in the amount of \$4,000.00. Respondent shall remit payment to the Division, payable to the "Mississippi Secretary of State" upon execution of this Order.
3. This Consent Order is in resolution of the matters contained herein. As a result of this Consent Order, the matters contained herein cannot be used as a basis for action by the Division except in determining any penalty as may be imposed by the Division for any future violations of the Act committed by the Respondent and as set forth below.
4. Respondent agrees that it will comply with the provisions of the Mississippi Charitable Solicitations Act as currently in effect or as may be subsequently amended.

### IV.

In the event Respondent fails or neglects to comply with any of the terms, stipulations or undertakings set forth in this Consent Order, the Division may, without notice to the Respondent, unilaterally rescind this Order and institute any legal or

administrative proceedings it deems appropriate including, but not limited to, proceedings to address the matters set forth herein.

ERIC CLARK  
Secretary of State

By: \_\_\_\_\_

JAMES O. NELSON, II  
Assistant Secretary of State

Date: \_\_\_\_\_

Veterans of Foreign Wars of the United States

By: \_\_\_\_\_

Sign Name

Print Name: Lawrence M Maher

Title: Asst Quartermaster General

Date: 5/20/02

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

**IN THE MATTER OF :**

)Administrative Proceeding

)Number C-03-0216

**Veterans of Foreign Wars of the United States )**

**406 W. 34<sup>th</sup> Street )**

**Kansas City, Missouri 64111 )**

***Respondent* )**

**SUMMARY CEASE AND DESIST ORDER AND NOTICE OF INTENT  
TO DENY REGISTRATION AND IMPOSE ADMINISTRATIVE PENALTY**

The SECRETARY OF STATE OF MISSISSIPPI, by and through the undersigned designated representative, hereby ORDERS the VETERANS OF FOREIGN WARS OF THE UNITED STATES (hereinafter "VFW" or "Respondent") to immediately CEASE AND DESIST from all illegal activity in the State of Mississippi including, but not limited to, the solicitation of contributions. The SECRETARY OF STATE OF MISSISSIPPI further gives notice of his intent to deny the registration of VFW and impose an administrative penalty and in support hereof states the following.

**I. JURISDICTION**

1. The Secretary of State is vested with the regulation of charitable organizations that solicit contributions in the State of Mississippi pursuant to the Mississippi Charitable Solicitations Act codified at Miss. Code Ann. Sections 79-11-501, et seq. (2001) (hereinafter "Act"). Respondent is a charitable organization as defined by Miss. Code Ann. Section 79-11-501(a)(i) (2001), to-wit:

(A) Any person determined by the Internal Revenue Service to be a tax exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code.

Further, Respondent has solicited contributions in the State of Mississippi. The Secretary of State, therefore, finds that he has jurisdiction over the subject matter and the Respondent herein.





## II. FINDINGS OF FACT

The previous paragraphs are incorporated herein by reference.

2. Pursuant to the Act, a charitable organization that intends to solicit contributions from Mississippi residents must first register with the Mississippi Secretary of State's Office. Registrations are processed through the Division of Business Regulation and Enforcement (hereinafter "Division"). Soliciting contributions is prohibited until such time as the organization is registered and receives a certificate from the Division.

3. The registration for a charitable organization remains in effect for a period of one (1) year unless renewed by the organization. Miss. Code Ann. §79-11-503(3) (2001).

4. VFW was registered with the Division until its registration expired March 3, 2003. See Exhibit A.

5. VFW attempted to renew its registration with the Division and filed renewal documents on May 16, 2003. However, the renewal filing was over two (2) months delinquent. See Exhibit B.

6. On June 9, 2003, the Division wrote to VFW inquiring as to whether or not the organization solicited contributions during the period it was not registered.

7. According to VFW, it solicited and received contributions of approximately \$45,500 during the period of non-registration. See Exhibit C.

8. As a result of VFW's solicitation during the period of non-registration, the Division, by letter dated December 2, 2003, proposed to the Respondent that the matter be resolved through the entry of a Consent Order by the Division for the imposition of a penalty without formal administrative action.

9. After additional correspondence between the Division and the Respondent, the Respondent was required to return a signed Consent Order to the Division on or before April 12,

2004. The Respondent failed to execute the Consent Order before the deadline and, therefore, entry of a Summary Cease and Desist Order and Notice of Intent to Deny Registration and Impose Administrative Penalty is appropriate.

### **III. CONCLUSIONS OF LAW**

The previous paragraphs are incorporated herein by reference.

10. Pursuant to Miss. Code Ann. §79-11-509(4)(a) (2001), the Secretary of State may issue a cease and desist order without a prior hearing against a person who is engaged in prohibited activities.

11. Pursuant to Miss. Code Ann. §79-11-509(1)(e) (2001), the Secretary of State shall deny, suspend, or revoke a registration of a charitable organization if such organization has violated or failed to comply with any of the provisions of the Mississippi Charitable Solicitations Act.

12. VFW has solicited contributions and received contributions while not registered in violation of the law.

### **IV. NOTICE OF INTENDED ACTION**

Please note that the Secretary of State intends to take the following action:

13. Deny the registration of VFW pursuant to Miss. Code Ann. §79-11-509(1)(e) (2001) and impose an administrative penalty of up to \$25,000.00 per violation.

### **V. RIGHT TO AN ADMINISTRATIVE HEARING**

14. An administrative hearing may be requested in this matter. Any such request shall be made in writing to James O. Nelson, II, Assistant Secretary of State for the Business Regulation and Enforcement Division, Office of the Secretary of State, Post Office Box 136, 700 North Street, Jackson, Mississippi 39205-0136, within thirty (30) days from the date of receipt of this Order.

15. If an administrative hearing is requested, written notice of the date, time and place will be given to all parties by certified mail, return receipt requested. Said notice will also designate a Hearing Officer.

#### VI. PUBLIC INTEREST

16. The actions taken herein by the Secretary of State are in the public interest and are consistent with the purposes set out in the Act.

#### VII. ORDER

17. VFW is hereby ORDERED to CEASE AND DESIST from soliciting contributions from Mississippi residents.

#### VIII. RIGHT TO AMEND

18. The Secretary of State hereby reserves the right to amend this Summary Cease and Desist Order and Notice of Intent to Deny Registration.

ENTERED, this the 20<sup>th</sup> day of April 2004.

ERIC CLARK  
Secretary of State  
State of Mississippi

BY:

James O. Nelson, II / by: JUB  
JAMES O. NELSON, II  
Assistant Secretary of State  
Business Regulation and Enforcement

Submitted by:

Joseph Brady  
JOSEPH BRADY, MSB # 10074  
Chief Counsel  
Division of Business Regulation and Enforcement  
Mississippi Secretary of State's Office  
Post Office Box 136  
Jackson, Mississippi 39205  
(601) 359-1650

## CERTIFICATE OF SERVICE

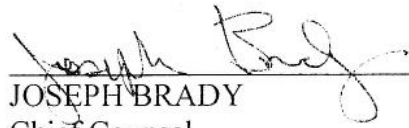
I, Joseph Brady, do hereby certify that I have this day mailed via United States Certified Mail, postage pre-paid, a true and correct copy of the Summary Cease and Desist Order and Notice of Intent to Deny Registration and Impose Administrative Penalty to the following:

Veterans of Foreign Wars of the United States  
406 W. 34<sup>th</sup> Street  
Kansas City, Missouri 64111

and

David V. Hiatt, Esq.  
Swanson Midgley, LLC  
Crown Center  
2420 Pershing Road, Suite 400  
Kansas City, Missouri 64108-2505

This the 20<sup>th</sup> day of April 2004.

  
JOSEPH BRADY  
Chief Counsel

### 2. Article Number



7115 4411 7552 0000 2759

### 1. Article Addressed to:

David V Hiatt, Esquire  
Swanson Midgley LLC  
Crown Center  
2420 Pershing Road, Suite 400  
Kansas City, MO 64108-2505  
4/20/2004 10:35 AM

### COMPLETE THIS SECTION ON DELIVERY

#### A. Signature

X

☐ Agent  
☐ Addressee

#### B. Received by (Printed Name)

M. Enisher

#### C. Date of Delivery

4-22-04

D. Is delivery address different from item 1? ☐ Yes  
If YES enter delivery address below: ☐ No

#### 3. Service Type



Certified

#### 4. Restricted Delivery? (Extra Fee)



Yes





STATE OF MISSISSIPPI  
SECRETARY OF STATE  
ERIC CLARK

301 NORTH PRESIDENT STREET  
POST OFFICE BOX 136  
JACKSON, MISSISSIPPI 39205-0136

TELEPHONE (601) 359-1350  
FACSIMILE (601) 359-1499

June 9, 2003

Certified Mail 71154411755400000661

Ms. W. Ann Hansbrough  
Veterans of Foreign Wars of the United States  
2420 Pershing Road, Suite 400  
Kansas City, Missouri 64111

Dear Ms. Hansbrough:

Our office received a Charitable Organization Registration Statement for Veterans of Foreign Wars of the United States on 05/16/03. A review of our records shows this organization previously registered with this office; however, the registration expired on 03/03/03, since no renewal was received by that date.

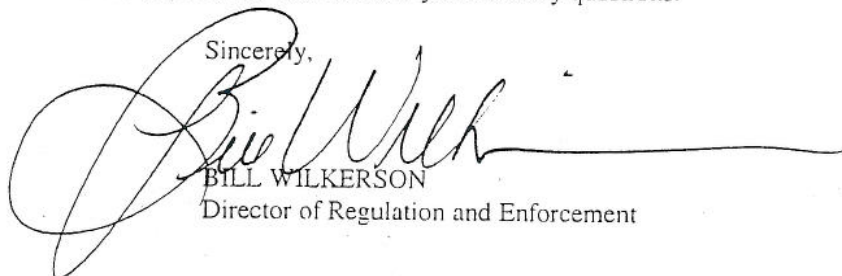
Pursuant to Miss. Code Ann. § 79-11-503, solicitations made by a charitable organization during a period of non-registration are illegal. Further, Miss. Code Ann. § 79-11-509(4) provides that a charitable organization that solicits during a period of non-registration may be subject to an administrative penalty up to a maximum of Twenty-five Thousand Dollars (\$25,000) for each solicitation made during a period of non-registration.

You must submit the following information to this office immediately:

**If solicitations were made during this period, the donations pledged and donations received from Mississippi residents for this period of non-registration must be submitted.** If no solicitations were made during this period, then submit a **notarized** statement or affidavit of non-solicitation during the period of non-registration (03/03/03- 05/16/03).

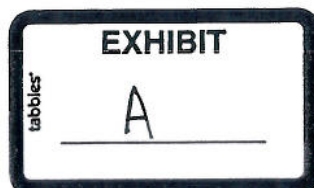
Since you have submitted a complete registration, you will be receiving a certificate for the current completed registration. However, this registration is subject to suspension or revocation if this matter is not resolved. You may contact Kathy French or me at (601) 359-1371 should you have any questions.

Sincerely,



BILL WILKERSON  
Director of Regulation and Enforcement

BW/slf



# Unified Registration Statement (URS) for Charitable Organizations© (v. 2.30)

☐ Initial registration ☒ Renewal/Update

This URS covers the reporting year which ended (day/month/year) 8-31-02

Filer EIN 44-0474290

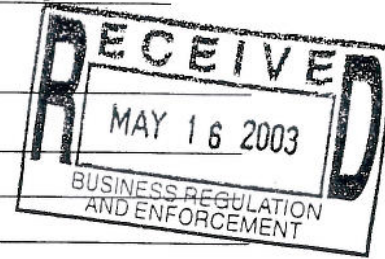
State Mississippi

State ID C-0197

1. Organization's legal name Veterans of Foreign Wars of the United States

If changed since prior filings, previous name used \_\_\_\_\_

All other name(s) used Veterans of Foreign Wars VFW



2. (A) Street address 406 W. 34th Street

City Kansas City

County Jackson

State MO

Zip Code 64111

(B) Mailing address (if different) W. Ann Hansbrough, 2420 Pershing Road, Suite 400

City Kansas City

County Jackson

State MO

Zip Code 64111

3. Telephone number(s) 816-756-3390

Fax number(s) n/a

E-mail n/a

Web site \_\_\_\_\_

4. Names, addresses (street & P.O.), telephone numbers of other offices/chapters/branches/affiliates (attach list). n/a

5. Date incorporated 5-28-36

State of incorporation Established by Act of Congress

Fiscal year end: day/month August 31

6. If not incorporated, type of organization, state, and date established n/a

7. Has organization or any of its officers, directors, employees or fund raisers:

A. Been enjoined or otherwise prohibited by a government agency/court from soliciting? Yes ☐ No ☒

B. Had its registration denied or revoked? Yes ☐ No ☒

C. Been the subject of a proceeding regarding any solicitation or registration? Yes ☐ No ☒

D. Entered into a voluntary agreement of compliance with any government agency or in a case before a court or administrative agency? Yes ☐ No ☒

E. Applied for registration or exemption from registration (but not yet completed or obtained)? Yes ☐ No ☒

F. Registered with or obtained exemption from any state or agency? Yes ☒ No ☐

G. Solicited funds in any state? Yes ☒ No ☐

If "yes" to 7A, B, C, D, E, attach explanation.

If "yes" to 7F & G, attach list of states where registered, exempted, or where it solicited, including registering agency, dates of registration, registration numbers, any other names under which the organization was/is registered, and the dates and type (mail, telephone, door to door, special events, etc.) of the solicitation conducted.

8. Has the organization applied for or been granted IRS tax exempt status? Yes ☒ No ☐

If yes, date of application \_\_\_\_\_ OR date of determination letter 11-22-74

If granted, exempt under 501(c) 19. Are contributions to the organization tax deductible? Yes ☒ No ☐



THE LAW FIRM OF  
**SWANSON • MIDGLEY • LLC**

Founded in 1986

Crown Center  
2420 Pershing Rd., Ste. 400  
Kansas City, MO 64108-2505  
Telephone: 816-842-6100  
Fax: 816-842-0013

Plaza Pointe  
4747 West 135th Street, Ste. 400  
Lawrence, KS 66044  
Telephone: 913-239-2360  
Fax: 913-239-2362

July 22, 2003

VIA FACSIMILE 601-359-1499

Mississippi Secretary of State  
Charities Registration  
ATTN: Bill Wilkerson  
301 North President Street  
Jackson, MS 39205

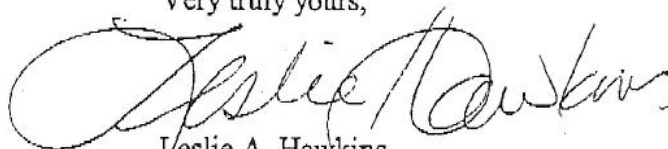
Re: Veterans of Foreign Wars of the United States

Dear Mr. Wilkerson:

Pursuant to your request dated June 9, 2001 (copy enclosed) the total donations received out of Mississippi by the VFW during the period of March 3, 2003 thru May 16, 2003 were \$45,566.43. I apologize for not being able to get this information to you sooner. The VFW donations and accounting are nationwide and the VFW does not extract individual state donation figures when it prepares its financial information.

Please let me know if you need any further information from me or the VFW.

Very truly yours,



Leslie A. Hawkins  
Paralegal for the Firm

lah  
Enclosures

